ATTACHMENT 1

AIRD & BERLIS LLP

Barristers and Solicitors

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April 28, 2015

BY EMAIL

Our File #107851

Ms. Kelly Matsumoto Legal Services City of Toronto 26th Floor, Metro Hall 55 John Street Toronto, ON M5V 3C6

Dear Ms. Matsumoto:

Re: Ontario Municipal Board Appeals Applications for Rezoning and Official Plan Amendment Siteline 390 Dufferin Street Inc. 430-444 Dufferin Street and 41 Alma Avenue City of Toronto OMB Case No.: PL140271

We act on behalf of Siteline 390 Dufferin Street Inc. ("Siteline"). Commencing June 15, 2015, the Ontario Municipal Board (the "Board") will conduct a hearing of our client's appeals respecting the above-noted applications. On behalf of our client, we are writing to set out the terms of an offer, made on a with prejudice basis, for the settlement of the above-noted appeals. Our client intends to proceed to the hearing on the basis of the following proposal, and proposes that the City and Siteline agree to jointly support a settlement at the Board hearing of the appeals on the terms set out below:

- 1. The development shall be split into two development blocks which will be separated by a future public street located opposite Alma Avenue. The future public street shall have a right-of-way width of 18.5 m.
- The development block north of the future public street shall contain one building,referred to herein as Building C.
- Building C shall contain a minimum of 5,550 m² of non-residential gross floor area
 (workspace) and may also contain up to 4,150 m² of residential gross floor area.
- 4. Building C shall contain a maximum of 8 storeys (plus a partial residential mezzanine between the first and second storeys), a maximum height of 34.4 m to

the top of the residential and work space and a maximum height of 36.5 m to the top of the mechanical penthouse.

- 5. Building C shall contain approximately 41 dwelling units, a minimum of 62 m² of indoor and 46 m² of outdoor amenity space, 1 type G, 1 type B and 2 type C loading spaces and 63 parking spaces of which a minimum of 36 shall be for the shared use of visitors and the workspace.
- 6. The development block south of the future public street shall contain two buildings referred to below as Building A (located at the south end of the southern block) and Building B (located at the north end of the southern block).
- Building B shall contain a maximum residential gross floor area of 13,150 m² including up to 350 m² of ground floor residential gross floor area used for livework uses.
- 8. Building B shall contain a maximum of 8 storeys (plus a partial residential mezzanine between the first and second storeys), a maximum height of 27.9 m to the top of the residential space and a maximum height of 33.9 m to the top of the mechanical penthouse.
- 9. Building B shall contain approximately 178 dwelling units and a minimum of 178 m² indoor and 180 m² outdoor amenity space.
- Building A shall contain a maximum residential gross floor area of 12,750 m² including up to 170 m² of ground floor residential gross floor area used for the livework uses.
- 11. Building A shall contain a maximum of 12 storeys (plus a partial residential mezzanine between the first and second storeys), a maximum height of 39.6 m to the top of the residential space and a maximum height of 45.3 m to the top of the mechanical penthouse.
- 12. Building A shall contain approximately 150 dwelling units, a minimum of 326 m² indoor and 150 m² outdoor amenity space and 1 type G loading space shared with Building B.
- 13. The parking levels below Buildings A and B shall contain a minimum of 218 parking spaces of which a minimum of 32 shall be dedicated to visitors to the residential space and workspace in Buildings A, B and C.

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14. A minimum of 398 bicycle parking spaces shall be provided on the lot.

- 15. Buildings A, B and C shall be constructed within the building envelopes and angular planes depicted on the Diagrammatic Sections and Floor Plans attached to this offer as Attachment 1.
- 16. If development proceeds in phases, then Building C, including the 5,550 m² of work space, shall be included in the first phase.
- 17. The City and Siteline shall ask the Ontario Municipal Board to withhold its final Order until advised by the City Solicitor that a satisfactory Section 37 Agreement has been entered into securing the public benefits described in Attachment 2 to this offer.
- 18. The City and Siteline will work together to finalize an acceptable form of the Official Plan Amendment and Zoning By-law Amendment prior to the hearing.
- 19. If the subject appeals, as amended herein, are allowed by the Board, the City and Siteline will jointly ask the panel of the Board seized with the appeals in respect of OPA 231 to modify OPA 231 in a manner consistent with the Board's decision in respect of the subject appeals.

This offer is provided at this time in the hope that it may be presented to City Council for consideration at its meeting commencing May 5, 2015.

A copy of this letter is also being provided to Mr. Charles Campbell, the representative for Active 18 Community Organization, which is also a party to these appeals and to the two registered participants: Jeannie Stiglic and R.J. Fleck. You may also share this offer with any other interested stakeholders.

Yours truly,

AIRD & BERLIS LLP

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Kim M. Kovar KMK/mn

cc:

Client Sara Phipps Charles Campbell Jeannie Stiglic R.J. Fleck



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ATTACHMENT 2

- 1. Siteline will provide a minimum of 5,550m² of non-residential gross floor area in Building C to be used as workspace.
- 2. Siteline will enter into a 10 year lease with the City for approximately 1,250m² of workspace on the ground and second storeys of Building C, to be used by the City to establish a small business incubation centre in the building.
- 3. Siteline consents to the City subleasing the work space to qualified not-for-profit partners or a post-secondary institution that will operate the space and deliver the small business incubation programming.
- 4. For the first 5 years of the 10 year lease term the City shall pay rent at a rate of \$5/ft² plus T.M.I. and for the second 5 years of the 10 year lease term the City shall pay rent at a rate of \$10/ft² plus T.M.I.
- 5. The City shall have the opportunity to renew the lease at the end of the 10 year term at market rental rates.
- 6. The rent subsidy offered herein, being the difference between the above referenced discounted rental rates and current market rental rates for comparable space in the area, currently \$18/ft² in the subject building, represents a portion of Siteline's s. 37 contribution which portion shall be accrued by the City over the 10 year lease term.
- 7. The balance of the s. 37 contribution, bringing the total value of the contribution to \$2,045,000.00, shall be paid in two equal instalments with one payable prior to issuance of the first above grade building permit for Building A and the other payable prior to the issuance of the first above grade building permit for Building B. These funds shall be used by the City for public benefits in the vicinity of the site at the discretion of City Council.
- 8. The City shall provide an appraisal of the leased space to determine the market rental rate for the purposes of the final calculation of the rent subsidy. If the City and Siteline are unable to agree on the value of the market rental rate both parties shall appoint a mutually agreeable third party appraiser whose appraisal shall be binding for the purpose of determining the applicable market rental rate.
- 9. Siteline shall finish the leased work space to base condition which shall include concrete floors, electrical, HVAC, plumbing and fire services entering the space, a finished washroom but otherwise no partitioning or dry-wall.
- 10. A minimum of 10% of the dwelling units on the lot shall contain at least three bedrooms meeting the definition of bedroom in the Ontario Building Code.

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Building C Diagrammatic Section

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